

To: Pruitt, Scott[Pruitt.Scott@epa.gov]
From: Starfield, Lawrence
Sent: Tue 2/28/2017 9:51:40 PM
Subject: Senior Staff question

Administrator Pruitt:

During yesterday's Senior Staff meeting, I mentioned a criminal case involving International Petroleum Corporation of Delaware, and the tampering of wastewater discharge monitors and data. You asked two questions. The answers are below.

Please let me know if you need any additional information.

Larry

Larry Starfield
Acting Assistant Administrator
Office of Enforcement and Compliance Assurance

1. What court issued the indictment of the Branch Manager?

United States District Court, District of Delaware

2. Did we collaborate with State authorities?

Yes. EPA's Criminal Investigation Division coordinated directly with the City of Wilmington Department of Public Works^{*/} and the Delaware Dept. of Natural Resources and Environmental Control (DNREC). DNREC's Environmental Crimes Section (which has five investigators, including a supervisor, making it one of the largest state environmental crimes units in the country) supported this case during the investigative stage, e.g., participated in the federal search warrant. The Delaware Attorney General's Office is also aware of this investigation and has been in communication with the US Attorney's Office during this investigation.

^{*/} Delaware does not possess CWA-delegated pretreatment authority (to regulate industrial

discharges into sanitary sewers). The City of Wilmington is the delegated regulatory authority as regards to CWA pretreatment.

If you are interested in further information, below is the press release from the U.S. Attorney's Office:

Wilmington Company is Sentenced for Environmental Crimes

Del. – Charles M. Oberly, III, United States Attorney for the District of Delaware, announced that International Petroleum Corporation of Delaware ("IPC") was sentenced today by United States District Court Judge Gregory M. Sleet to a \$1,300,000 fine and \$2,200,000 restitution to the City of Wilmington for environmental crimes, including a conspiracy to violate the Clean Water Act.

According to court documents and statements made in court, from 1992 through 2012 IPC operated a facility, located at 505 South Market Street in Wilmington, Delaware, which processed used oil and hydrocarbon-containing waste water and then sold the reprocessed petroleum to various companies for reuse. The facility had two components: oil recovery and waste water treatment. The facility's petroleum processing activities generated waste water, which the company treated at its waste water portion of the facility prior to discharge into a sewer along Market Street owned by the City. It issued IPC a federally-enforceable Clean Water Act pretreatment permit which governed the types and concentrations of pollutants which IPC could discharge into the City's sewer system. The pretreatment permit required IPC to take "representative" samples of its waste water on a monthly basis, to determine if it was complying with its permit limitations, and report its sampling results to the City every six months.

IPC admitted that its monthly samples were not representative, as it tampered with, and rendered inaccurate, monitoring methods and a monitoring device required by the Clean Water Act and IPC's federally-enforceable pretreatment permit.

IPC further admitted to violating the Resource Recovery and Conservation Act ("RCRA") by transporting hazardous waste without a hazardous waste manifest. In June and July 2012, IPC trucked to South Carolina for disposal sludge ("tank bottoms") which IPC had removed from its storage tanks. The tank bottoms contained concentrations of benzene, barium, chromium, cadmium, lead, tetrachloroethene (also known as "PCE"), and trichloroethene (also known as "TCE"), which each served to classify the material as RCRA regulated hazardous waste.

"Industrial wastewater can pose serious threats to public health and the environment, so it's imperative that companies honestly treat and dispose of it properly and sample and report pollutant concentrations honestly," said U.S. Attorney for the District of Delaware Charles M. Oberly III. "Likewise, companies must handle hazardous waste properly to ensure its proper treatment and disposal. The Department of Justice and EPA are committed to protecting human health and the environment for all Americans through strong enforcement of environmental laws, especially in environmental justice areas. This conviction and sentence ensures that the defendant is held accountable with a criminal fine, and pays substantial restitution to the City of Wilmington."

This case was investigated by EPA's Criminal Investigation Division. The City of Wilmington Department of Public Works and the DNREC Solid & Hazardous Waste Management Section assisted in the

investigation. IPC, through its parent company which purchased the Wilmington plant after the crimes to which IPC pled guilty occurred, cooperated with the investigation.

The case was prosecuted by Special Assistant U.S. Attorney Martin Harrell, EPA Region 3, and Assistant U.S. Attorney Edmond Falgowski from the U.S. Attorney's Office for the District of Delaware.